DECEMBER 13, 1965

AGRICULTURE IMPROVING
IN UNDERDEVELOPED NATIONS

U.S. FARM PRODUCTS
FEED CHILDREN ABROAD

FEDERAL-STATE COOPERATION
IN PROMOTING FARM EXPORTS

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FOREIGN AGRICULTURE

Including FOREIGN CROPS AND MARKETS

A WEEKLY MAGAZINE OF THE UNITED STATES DEPARTMENT OF AGRICULTURE
FOREIGN AGRICULTURAL SERVICE

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Including FOREIGN CROPS AND MARKETS

DECEMBER 13, 1965

VOLUME III • NUMBER 50

Chilean youngster clutches package of nonfat dry milk donated under the U.S. Food for Peace Program. How U.S. Food is feeding children abroad is told on page 6.

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Foreign Agriculture is published weekly by the Foreign Agricultural Service, United States Department of Agriculture, Washington, D. C. 20250. Use of funds for printing this publication has been approved by the Director of the Bureau of the Budget (December 22, 1962). Yearly subscription rate is $7.00, domestic, $9.25 foreign; single copies are 20 cents. Orders should be sent to the Superintendent of Documents, Government Printing Office, Washington, D. C. 20401.

Agriculture Showing Dynamic Upward Trend In Some Developing Nations

The following contains the main points of Secretary of Agriculture Orville L. Freeman's address at the Biennial Conference of the Food and Agriculture Organization, in Rome, November 23, 1965.

I should like to unfurl a banner of hope—a hope that arises because it now seems possible to win the war against hunger within the next 10 or 20 years.

This hope is based not on wishful thinking, but on sound research. It is based not on a report of the tremendous productivity of the highly developed nations, but on an analysis of the efforts and progress made by many newly developing nations in improving their own agricultural productivity. It is based on research on "Changes in Agriculture in 26 Developing Nations, 1948 to 1963," a study made by the Economic Research Service of the United States Department of Agriculture, under the auspices of the U.S. Agency for International Development.

This study reveals no easy road to victory, but it does indicate that freedom from hunger can be won. It shows how the energies and resources of some newly developing nations have been effectively mobilized to sharply increase their rate of agricultural growth.

Threat of hunger

Before I summarize some of the significant conclusions of this study I want to emphasize that it was made within the framework of a world newly awakening to the threat of hunger.

Current trends of accelerated population growth along with too slow an increase in food production will—if allowed to continue—bring about a world emergency in the race between population and food supply.

This danger is clear and imminent. But the first essential step toward avoiding danger is a recognition that it exists. Today the people of the world and those who lead the nations of the world are more aware than ever before of the magnitude of the approaching crisis. This new awareness of the danger has already brought results.

A beginning has been made in directing greater attention and more resources toward population problems. Family planning can now be discussed and encouraged in a more rational atmosphere, with the hope of effective measures being developed over the next few decades.

A beginning has been made in directing more resources in the newly developing countries toward the development of agriculture and the expansion of those facilities—processing, transportation, storage, and marketing—which are essential to an expanding agricultural economy.

Our new concepts

Much deeper thought and more careful study is being given to attempts to measure the need that will exist 10 or 20 years from now, and to an evaluation of policies and programs to meet that need. As a result, certain concepts are becoming clear.

We know that hunger can be allayed when those who have an abundance give food to those who do not have enough. In my country we have acted on this knowledge and developed the necessary techniques through our Food for Peace program, and in cooperation with our fellow members of the United Nations and of the FAO through the World Food Program.

We know that this sharing of abundance not only can relieve hunger and promote better nutrition but also can be directed toward encouraging overall economic growth. It can help avoid the danger of inflation fueled by rising food costs. We therefore urge the continuation and expansion of the World Food Program. We hope that the World Food Program target will be reached by pledges from the member nations.

But we also know that food aid cannot by itself solve the problem of world hunger, although it can contribute to that end. World hunger can be finally solved only in those areas where it is most prevalent. The hungry nations themselves will have to do much of the job. The well-fed nations can help.

No easy victory

Victory in the war against hunger will be won when the newly developed nations have increased their agricultural productivity and overall economic growth so that they can produce or purchase enough to meet their needs and fulfill their demands. But this potential victory can be achieved only by overcoming enormous difficulties.

Most of the hungry people live in nations with little new land to put under cultivation, and they will have to increase their agricultural production the harder way—by increasing yields.

Most of the hungry people live in nations with little when they approach the task of teaching farmers how to increase yields.

Most of them need funds and foreign exchange to acquire fertilizer and other essential chemicals, or to build plants to produce those inputs. They need to develop policies that will provide their farmers with incentives to produce more—policies that will insure a fair return for work on the farm and that will make it worthwhile to apply the inputs to increase yields. They need institutions to provide farmers with credit; they need facilities for handling, storing, and distributing food.

Job can be done

Their needs are indeed great, but I am optimistic that the job can be done, for three reasons.

The first reason I have already indicated—a real breakthrough has been made in awareness of the importance of the job. We are beginning to recognize that, in a world as closely interdependent as ours is today, the future of highly developed as well as newly developing nations depends upon victory in the war against hunger.

The second reason for my optimism is that we know how to produce abundantly. The greatest and most far-reaching explosion that is taking place in the world today is the explosion in scientific knowledge. Now we need to learn how to use this new knowledge to bring about the essential increase in food production. The skills can be taught. The technology can be adapted. Further research can bring

even greater progress than we have known up to now.

The third reason for my optimism arises out of the conclusions of the study I described earlier. This study reveals the startling fact *that some newly developing countries are already increasing their agricultural production at rates far higher than those ever achieved by the highly developed nations—including my own.*

26 nations studied

Economists in USDA's Economic Research Service began this research project more than 2 years ago, under an agreement with the AID, for the purpose of studying "Factors Associated With Differences and Changes in Agricultural Production in Underdeveloped Countries." The research staff benefited from information and suggestions from many sources, including the FAO.

Twenty-six newly developed nations were studied — 7 in Latin America, 5 in Africa, 4 in Europe, 6 in the Near East and South Asia, and 4 in the Far East. The report shows levels and changes in agricultural output and productivity in these countries between 1948 and 1963. It seeks to identify and assess the major physical, economic, and social factors associated with these levels and changes.

During the years between 1948 and 1963, 12 of these 26 countries had annually compounded rates of increase in crop output of more than 4 percent a year — rates of increase surpassing those ever achieved for equally long periods of time in nations that are now economically well advanced. Four of these countries were in Latin America, 3 in Asia, 2 in the Far East, 2 in Africa, and 1 in Europe.[1] These rates of increase ranged from 4.2 percent to 9.7 percent, and averaged 5.6 percent. Compare this with an average under 3 percent in the United States, even during the war years when our national policies were directed toward increased production.

Countries differ greatly

The experiences of these countries present valuable evidence on possibilities of improving agriculture in less developed countries generally. They demonstrate what can be done. Their value as examples is enhanced by the large differences among them in many of the factors that are often considered crucial to agricultural progress.

Some of them are tropical, some semi-tropical, and some lie in temperate climatic regions. These countries differ greatly in their rural population densities and in their potential for expanding acreage under cultivation. They exhibit notable differences in the level and stage of economic development and in other cultural characteristics. Some have had much lower per capita incomes as a base for capital accumulation, much lower levels of literacy, and much less adequate educational systems for developing increased awareness of possibilities and for improving skills and management abilities than have others among the 26 that have improved their agriculture very little.

If we seek to learn the secret of success from these examples, we find no fixed pattern. Success in raising food production has been achieved in countries with high levels of literacy and in those with very low literacy levels. Success has been achieved by countries which differ widely in soil and climate, in historical backgrounds, ethnic and cultural features, man-land ratios, and in proximity to world markets. No one of the 12 countries had all of the factors generally regarded as favorable.

[1]Mexico, Costa Rica, Venezuela, Brazil, Israel, Turkey, Thailand, the Philippines, Taiwan, Sudan, Tanganyika, Yugoslavia.

National will the key

The common factor that seems essential to success is a national will — a national determination to strengthen agriculture — strong enough to adopt policies and programs that make the most of conditions which do exist. Geographic, economic, and social conditions, as well as land, labor, and capital — these are important factors, but they by themselves do not have the power to determine a nation's growth, either in agriculture or in general economic development. It is rather the responses and adaptations to those conditions — the policies and programs which are followed — that determine progress.

I believe there are many important lessons to be drawn from this study.

First, there is no inherent reason why most of the newly developing countries cannot within the next decade or two increase their food and fiber production so as to meet the increased demands of their citizens and to have enough food or food-producing resources to spare to contribute substantially — through trade and non-farm employment — to general economic development.

Second, studies and research involving social and economic factors, political relationships and administrative organizations as they affect agricultural development may be fully as important as scientific studies of plants, animals, and soils. If we can learn more about what kinds of policies and programs make for greatest success under varying conditions, we can progress more rapidly toward our goal. It is for this reason that we in the United States engage in research projects such as the one I have mentioned. It is for this reason that we strongly support FAO's Indicative World Plan, which will map goals and explore ways by which those goals can be reached.

U.S. food has helped

We are proud of the contribution the United States has made. Under the Food for Peace program we have shared more than 140 million tons of food in the past decade, and this program has reached people in 115 countries around the world. We have sought not only to allay hunger, but also to assist in the development of schools, public and private enterprises, hospitals, roads, and the other elements of economic growth which provide the opportunity for a better life.

We know, however, that the hungry nations continue to fall behind. The food gap continues to widen.

We take encouragement from the study which shows that a hungry nation determined to improve its own agriculture has the best chance for success. We are not pessimistic, but we are concerned that more rapid progress be made.

Even as we recognize the difficulties, I would reiterate and emphasize the spirit of optimism and hope, for it was in a spirit of optimism and hope that 34 nations organized the FAO 20 years ago.

During these first 20 years, the FAO has made noteworthy achievements. It has contributed enormously to filling the gap in our knowledge of the condition of world agriculture and of the world's need for food. Upon this foundation, the FAO now faces a tremendous challenge—and a tremendous opportunity. Victory over hunger can be achieved, it must be achieved.

Mexico's Grain Production Goal—Enough But Not Too Much

By JOHN C. SCHOLL
U.S. Agricultural Attaché, Mexico City

Mexico has already come a long way toward attaining its longtime goal of self-sufficiency in food and fiber; in fact, it has become a substantial grain exporter. This, though, the Mexican Government apparently does not desire, for after giving intensive study to its price support program, it recently modified that program to provide less incentive for farmers to pile up export surpluses of wheat and corn.

The need for such a reappraisal of price supports was stated by the Secretary of Agriculture and Livestock, Professor Juan Gil Preciado, in his report releasing the National Agricultural Plan for 1965-70. Stressing the importance of agriculture in the national economy, the Secretary pointed out that it provides a livelihood for half the people of the country and accounts for half the foreign exchange earned by all exports—even though Mexico's agricultural development is lagging somewhat behind the development of its industry.

He emphasized that for the last half of the 1960's, a key agricultural goal will continue to be self-sufficiency in the basic foods and fibers needed by a fast-growing population that is improving its standard of living and demanding larger and better diets. But he pointed out — as President Gustavo Diaz Ordaz also did in his State of the Union address on September 1 this year—that for Mexico to make occasional small imports would be better than for it to build up large export surpluses.

Grain price support program changed

To assure adequate supplies of corn and wheat for the self-sufficiency objective, the Mexican Government has been providing high price supports on both commodities — 940 pesos (US$75.20) per metric ton for corn and 913 pesos (US$73.04) for wheat. These supports, considerably higher than current or prospective world prices, encouraged Mexican farmers both last year and this year to produce more than enough of these basic commodities to meet domestic needs, and Mexico has exported fairly sizable quantities of both grains. (It is estimated that these exports in 1965 may approach 1.5 million tons.)

As a followup of the President's address and the Secretary's report releasing the 5-year plan, some changes have already been announced in the price supports for wheat and corn for the 1965-66 season.

The support on wheat was recently reduced to 800 pesos (US$64.00) per metric ton, although at the time of writing it was not yet clear whether this rate would apply to the whole country or to the northwest area (Sonora, Sinaloa, Baja California), which supplies more than two-thirds of the total wheat crop. Last season, the 913-peso rate was paid on wheat for domestic consumption, but a lower rate was applied to wheat exports. The 800-peso rate, however, would apply whether the wheat were used domestically or exported.

Probable effect of changed program

The guarantee price for corn is being held at the same level as last year, but — significantly — the irrigated farms will not be eligible for price support. This new arrangement favors the poorer farmers with smaller corn acreages, who also will benefit from improved credit facilities.

The new wheat program should be easier to administer, avoiding some of the difficulties encountered with the "two price" arrangement of the 1964-65 season. It should also tend to reduce exports. Grower representatives have expressed approval of the plan and have indicated to the Secretary that they intend to work toward holding acreages at levels calculated to provide the wheat needed for domestic use.

However, wheat output may remain relatively high even without strong price support incentives; for, although wheat area has remained relatively stable of late, yields have soared, mainly owing to planting of better yielding varieties and the increasing use of fertilizer and irrigation.

The new arrangement for corn will discourage the rapid expansion of acreage on large commercial farms, where hard-to-manage surpluses could build up under continued high price supports. Area shifts away from corn would quickly lessen export availabilities, for the production rise of recent years has been due to increased acreage.

Other aspects of the 5-year plan

Improving farm credit is another agricultural need stressed in the Secretary's report. Scarcity of credit, particularly medium and long-term, has been a deterrent to the development of Mexico's agriculture, although help has come through two $20-million AID loans administered by FONDO (the organization for the development of agriculture, livestock, and poultry). The first, signed in June 1962, placed emphasis on longer term credit to small operators for permanent improvements at lower interest rates. The second was signed on August 20 this year.

Recently also, Mexico has received an agricultural loan of $25 million from the International Bank for Reconstruction and Development. Under this program, credits will be provided to farmers through private banks via a rediscounting procedure administered by the Banco de Mexico. This is the first IBRD operation in which funds will be channeled to agriculture through private banks.

World commodity prices discussed

The new agricultural plan also emphasizes the need of strengthening and stabilizing the prices of the farm commodities Mexico exports. Officials in the Secretariat of Agriculture are well aware of the world surplus position for some of these commodities, and the Administration has pledged Mexico's support to cooperative international efforts aimed at finding solutions to these price and surplus problems.

Ever since the International Coffee Agreement was established in 1962, Mexico has been an active member; it has also for many years been a member of the International Sugar Agreement. It would like to see an International Cacao Agreement, as well as some type of international arrangement for cotton and henequen. It recognizes, however, the stiff competition in world markets and the desirability of improving the quality of its export crops and its methods of marketing and handling them.

Greek family eagerly opens food package from CARE—one of the several voluntary agencies distributing surplus U.S. food to children and adults overseas.

U.S. Farm Products Feeding Millions of Children Abroad

Each year, surplus agricultural products "donated by the people of the United States of America" go to enriching the diets of over 40 million children in more than 100 countries of the world.

Vehicle for this worldwide distribution of U.S. foods is Public Law 480—the Food for Peace Program. Under it, Title III provides food to qualified nonprofit intergovernment and U.S. welfare agencies for distribution in friendly countries financially unable to feed their hungry.

Since inception of our donations program in 1950 (P.L. 480 began in 1954), nearly $3 billion worth of U.S. flour, wheat and other grains, nonfat dry milk, vegetable oils, beans, butter, butter oil, and other commodities have been donated to 33 voluntary agencies operating in 137 countries and territories around the globe.

The largest portion of this has gone into school lunch programs, which in fiscal 1965 reached 36 million children abroad. But Title III foods also go to children via hospitals and other institutions, maternal and child care programs, summer camps, health centers, and projects to help individual families.

Virtually all of the developinng friendly nations are included under these programs, with Asia receiving the greatest amount of U.S. surplus food and populous India the biggest single-country recipient. However, U.S.-assisted child feeding is increasing fast in Latin America and in Africa, and at the same time is being phased out in most of the few remaining participants of Europe.

In keeping with its people-to-people concept, Public Law 480 stipulates that the food be shipped in packages and

Some of the 10 million Indian children that receive school lunches.

Volunteers, above, aided in building of Freeman Cafeteria, Bogotá, Colombia, and are now receiving school lunches there, made possible by donations of U.S. food.

containers clearly marked as coming from the people of the United States.

Importance of this country's donations program to the world's children has been pointed up by numerous studies on child development in relation to eating patterns. *Food Aid and Education*, a publication of the United Nations Food and Agriculture Organization, reports that feeding trials in numerous countries reveal a decrease in the mortality rate during epidemics, particularly of measles, when malnourished children are given protein-rich foods. In addition, the publication states that the feeding programs have brought increased school attendance, fewer physical collapses during classes, greater capacity for physical and intellectual effort, greater concentration, better scholastic results, and higher nutritional standards.

Below, mothers in Lima, Peru, who will be helping carry out school lunch program there, see demonstration on how good lunches should be prepared and served, while some of the children below show how lunches should be eaten.

Boy in Calcutta, India, gets free milk supplied under Title III. P.L. 480 milk also goes to institutions—such as, lower left, hospital in Bogotá—for needy patients.

Rain Damage Reduces Austria's Crop Production But Improvement Is Seen in Livestock Industry

The year 1965 will long be remembered by Austrian farmers for its turbulent weather and accompanying damage in the sugarbeet and grain areas—a situation that most likely will be reflected in greatly increased imports of wheat and feed grains during 1965-66. At the same time, however, 1965 has seen a decided improvement in the livestock industry, which during the last few years had been producing too much pork and too little beef.

Virtually all of Austria's crop damage this year was caused by torrential rains during comparatively short intervals and subsequent widespread flooding. Hit especially hard was the Vienna Basin area—noted for its large-scale grain and sugarbeet operations—where rainfall during April-July was 2¼ times the long-term average for that period. In other areas, departures from normal rainfall levels were not quite so excessive but still large enough to hurt agriculture.

On a tentative basis, it has been officially estimated that about 205,000 acres, much of it cropland, was flooded this year. In terms of overall crop losses, the financial damage to agriculture is now placed at the U.S. equivalent of $80 million, on roughly 10 percent of agriculture's contribution to the gross national product.

Grain output lower

Tentative attaché estimates indicate that production of bread grains will be down some 10 percent from the 1964 level; coarse grains, 11 percent; and sugarbeets, 32 percent. The decline in sugarbeets is due in part, however, to reduction in contracted acreage. (Crop forecasts published thus far by the Austrian Central Statistical Bureau are not meaningful inasmuch as they fail to take into account total crop losses sustained in flooded areas.)

This drop in supplies of homegrown grains is bound to have a marked effect on Austria's import requirements for crop year 1965-66. Foreign procurements of high-protein wheat and durum wheat to make up the production shortfall — tonnagewise and qualitywise—may run up to about 65,000 metric tons compared with 46,000 in 1964-65. In addition, Austria will have to import sizable amounts of rye for bread-baking purposes to supplement inadequate production, as well as more corn, barley, and feed potatoes. It is expected that overall requirements for coarse grains during 1965-66 (including grain for industrial uses) will hit around 750,000 metric tons, or 15 percent above the 1964-65 level. In the past, the United States has supplied about a third of such feed grain imports.

Meat production improves

The bright side of Austria's 1965 agricultural situation is the better distribution of meat supplies, with output of the recently surplus pork dropping and of once-scarce beef rising.

This changeabout should have a stabilizing effect on beef prices, which have increased by leaps and bounds in the past 2 years, rising during the first half of 1965 7 percent above those in the comparable 1964 period and 27 percent above 1963. This upsurge in beef prices added greatly to the inflationary pressures so much in evidence in Austria during recent years. There will most likely be the problem, however, of slaughter cattle producers demanding higher export quotas the moment price stability becomes a tangible prospect. It will then depend on the measure of consumer resistance whether the drain on beef supplies from volume exports of slaughter cattle can be kept in check.

A slight decline in domestic pork production would be welcomed by the government, since this change would reduce or eliminate the need for renewed government intervention purchases in slaughter hog markets in early 1966. During 1965, the Livestock Marketing Board, under the supply management program for pork, had to divert 55,000 hog carcasses to deep-freeze plants at considerable cost to the government.

For poultry, another substantial increase in production is indicated. Poultry meat, with its stable prices, is becoming increasingly competitive with red meats and a continued uptrend in consumer demand for this meat appears assured.

The current dairy situation is characterized by a high level of milk marketings and sluggish, or even decreasing, sales of dairy products. Experts ascribe this development to the May 1965 increase in fixed prices of dairy products, after which consumption of butter, sweet cream, and sour cream dropped 5.2 percent, 2.0 percent, and 1.4 percent respectively. Since the dairy industry will probably not consider price reductions, Austria will no doubt have to dispose of its dairy surplus through subsidized exports.

—Dispatch from HENRY A. BAEHR
U.S. Agricultural Attaché, Vienna

Oranges Seen Leading Rise In Mexico's Fruit Production

Fruit output in Mexico this year is expected to be up slightly over 1964 level, primarily because of increased production of oranges, bananas, and watermelons. With both the Federal and State Governments backing expanded citrus production as a replacement for some less profitable tropical fruits, oranges still command the spotlight as the country's leading fruit.

Overall fruit output for 1965 is estimated at about 2.9 million metric tons, compared with 2.8 million last year. Of this, oranges are expected to provide 865,000 tons; bananas, 779,000; and watermelons, 380,000.

Citrus fruits—mainly oranges—now make up over 46 percent of the country's total production (excluding bananas), compared with 35 percent in 1964 and 37 percent in 1963. If bananas—the only fruit even remotely rivaling oranges in importance—are included, citrus still has 35 percent of the total.

Production of oranges is primarily for the internal market, which should be able to absorb the increase for awhile. Exports in 1964 were just 37,000 metric tons, with 70,000 expected this year. As production continues to rise, however, Mexico will face the problem of finding outlets for much larger quantities in a world where citrus output is already excessive. The real impact of widespread planting will not be felt until several years hence when the young trees come into bearing.

The preliminary estimate of Mexico's 1965 deciduous fruit crop is slightly above 1964 output, with production largely for the domestic market. This year, the State of Chihuahua moved to increase processing of its own apple crop and to seek export outlets, but no definite developments have as yet occurred.

Rhodesia's Agricultural Economy Gains in 1965 But What Lies Ahead Hinges on Political Events

When Premier Ian Smith declared Rhodesia independent on November 11, the United Kingdom took steps to impose economic sanctions against the country, and the United States indicated full support for the U.K. position. Shortly before, however, U.S. Agricultural Officer Joseph R. Williams reported from Salisbury on Rhodesia's agricultural production in 1965. Most of the material in the following article was taken from his dispatch.

Despite prolonged political differences — culminating in a unilateral declaration of independence — and long dry spells affecting crops in many parts of the country, Rhodesia is expected to emerge from 1965 with an expanded agricultural economy.

Increased outputs of sugar, burley tobacco, and cotton, plus a rise in beef exports, more than offset the 70-million-pound drop in flue-cured tobacco — Rhodesia's principal crop and chief earner of foreign exchange. Although poor weather caused a decline in peanut production, output of corn, coffee, and tea rose significantly.

Low price for flue-cured tobacco

About 230 million pounds of Rhodesian flue-cured tobacco were sold in 1965 for $95 million, or an average price of about 38 cents per pound. This was the second lowest average in 10 years and resulted from a drop of about 5 to 7 cents per pound in the price of top export grades. With purchases of 113 million pounds, the United Kingdom was top customer. West Germany, the Netherlands, and Japan also took large amounts.

A record 5.6 million pounds of burley tobacco brought in about $1.4 million on the Salisbury market at an average price of about 26 cents per pound — lowest average since 1961. The poor quality of the crop reflected growers' concentration on quantity at the expense of quality. Estimated in excess of 1.4 million pounds, sales of Turkish tobacco in 1965 were just slightly above those of 1964.

Sugarcane—third most valuable agricultural commodity after tobacco and beef—is estimated at about 2.1 million tons, compared with 1.4 million in 1964. Before Rhodesia's declaration of independence, it was believed that the value of raw sugar exports in 1965 would surpass the $11.2-million mark, compared with $9.5 million in 1964. Chief markets were the United Kingdom, Canada, and Zambia.

Cotton production soars

Official estimates place Rhodesia's production of seed cotton in 1964-65 at 41 million pounds, nearly three times the preceding season's output. Better yields from a larger acreage take credit for the increase. Imports of raw cotton in 1965 totaled 9.3 million pounds, mostly from Malawi, Uganda, and Zambia. The small quanity exported—about 600,000 pounds—went chiefly to South Africa.

Commercial production of corn in 1965 totaled about 360,000 tons, an increase of some 80,000 tons over 1964, but significantly below the forecast output of 550,000. No great acreage expansion is seen in the next season, with emphasis instead on reducing production costs.

This year's peanut crop is expected to be the lowest in many years because of a substantially reduced European-grown crop of about 500 tons and lower African production of about 2,000 tons. Adverse weather was primarily responsible for the poor crop, which raised 1965 import requirements.

The 1965 tea crop is estimated at 3.5 million pounds—500,000 more than a year earlier—and the 128,300 pounds of coffee reaped in 1964 are expected to more than double this year, reaching about 300,000 pounds.

Drought slows beef expansion

Slaughtering of cattle for domestic consumption continued to rise during 1965. Although it was hoped the increase in beef producer prices at the beginning of the year would encourage a more rapid increase in beef production, the anticipated effect of the price increase was marred by the drought. Nevertheless, pre-declaration of independence estimates predicted that the value of beef and canned meat exports in 1965 would exceed $16.8 million, almost $5.6 million above the 1964 level. Primary overseas markets were the United Kingdom, Italy, Switzerland, and Spain.

Pork production continues an unbroken upward trend. Output of mutton, however, satisfies only about half the domestic demand and leaves room for considerable expansion.

The internal poultry market is currently oversupplied, with a consequent depression in prices. Although export opportunities exist in neighboring countries, the markets are highly competitive, and the Rhodesian Government is seeking ways to introduce marketing improvements. The value of poultry exports may total $350,000 this year, compared with $330,400 in 1964 and a mere $128,800 in 1963.

Rhodesia's production of whole milk greatly exceeds consumption, with 1965 deliveries to the Dairy Marketing Board expected to total about 17 million gallons. Prospects of government support for dairy products are not good, as the government prefers to see the dairy industry operating without subsidy. Although production of butter and cheese for export is expanding, Rhodesia still finds it necessary to import large quantities of dairy produce, especially skimmed milk powder.

Prospects for 1966 uncertain

What 1966 brings for Rhodesia's agricultural economy is likely to be dictated in part by political circumstances. Before the declaration of independence, targets had been set for an overall increase in output, and by November 11, much of the tobacco and all of the sugar—Rhodesia's chief export crops—were already planted.

The early-season goal for the 1966 flue-cured tobacco crop was 280 million pounds, with emphasis on higher yields while maintaining quality. In view of the low average price fetched in 1965, it appeared that the 1966 crop would have to be produced as economically as possible.

To maintain the quality of the burley crop, growers were advised to expand production gradually, and plans called for a 1966 crop of about 7.5 million pounds. Prospects for expanded production of Turkish tobacco were good, and growers were asked not to treat this crop as a sideline. Output for 1966 was forecast at about 2 million pounds.

Although expansion of sugar production has slowed down somewhat, because of depressed world prices, pre-declaration prospects were for another record crop in 1966. At that time, Rhodesia hoped to be exporting 400,000 tons annually by 1968.

Federal-State Cooperation in Farm Export Promotion

FAS official* James O. Howard, *at a national workshop in Iowa of State Department of Agriculture officials, cites value of teamwork in expanding U.S. exports.

The growing interest of the State Departments of Agriculture and other State agencies in export expansion speaks well for the future of U.S. agriculture and our country's balance of payments.

A truly effective export expansion program must reach back to the research stations which can develop the qualities needed in our farm products by our foreign customers. It must involve the farmer in growing the type of products which will best sell abroad. It needs to involve the whole stream of interior buyers, storage facility operators, processors, transportation companies, and exporters.

It needs also to involve increased service, education, and promotion overseas. You State officials have more contacts than Foreign Agricultural Service with the people involved in this process within the United States.

There is a great deal you can do better than FAS and there are things that we can well do together. Let us focus on three areas: getting more U.S. firms involved in actually selling their products abroad; helping U.S. agricultural producer and trade groups now involved in overseas promotion; carrying out the big service and educational job which needs to be done here at home if we are to reach all groups involved in the United States in producing, buying, processing, packaging, and exporting our wide variety of farm products.

Virginia and Florida active

Some excellent work has been done in the States in bringing overseas buyers together with their local sellers, such as in Virginia, in arranging the sale of cattle to Italy—and in Florida where good work has been done in the Caribbean.

Another way in which more firms can enter the foreign market is through U.S. food and agricultural exhibits at international trade fairs and U.S. trade centers abroad. Take, for example, one just over in Brussels.

USDA, through FAS, obtained a large exhibit area at this very important European trade fair. A large part of this area was set aside exclusively for U.S. commercial firms. The public was excluded from this part and it was used to concentrate on contacts between the American businessman and the foreign importer, processor, or retailer. Exhibiting U.S. firms furnished the products and paid shipping charges to Brussels. They also had either a U.S. company representative, or its overseas agent, present to take orders.

FAS produced the overall exhibition, provided exhibit space for the commercial firms, along with a relaxed environment in which buyer and seller could talk business, and carried out the promotion necessary to get the trade to attend the exhibit.

Trade centers and fairs

We participate in trade centers, permanent establishments, in three countries: the United Kingdom, Japan, and Italy. These centers sponsor exhibits similar to the one in Brussels, except that they are limited entirely to the trade. They also provide year-around services for businessmen seeking contacts in these markets.

FAS is sponsoring eight exhibits next year in trade fairs and trade centers.

Trade fairs will be in Utrecht, the Netherlands, in April; Manchester, England, in May; Vienna and Munich in September; and Paris in the middle of November.

Firms can also participate in a specialty food show at the London Trade Center in February. In August and September, there will be a processed food show at the Tokyo Trade Center, followed by a special promotion in Hong Kong.

FAS needs your help in acquainting U.S. food processors and exporters with these opportunities. Some of this is already being done. The Pennsylvania State Government, for example, arranged to have 21 food and agriculture firms from that State participate in the Brussels exhibition. This program can be of significant benefit to the exports of your own individual States as well as to the market development program as a whole.

Trade teams are another useful tool. A number of States have sent teams, or missions, of leading businessmen and government trade promotion officials to key markets to promote the products of their States. These may be limited to agricultural products, but are more often combined with nonagricultural items. Groups such as port authorities and bankers have served on State trade missions. FAS is pleased to help plan such trips and 94 U.S. Agricultural Attachés in 58 foreign posts can help overseas.

A Mississippi group which FAS helped plan such a trade mission to Europe some months ago, for example, reports that it was very successful.

Producer and trade groups

Most of USDA's overseas market promotion program is carried out in cooperation with producer and trade associations such as the U.S. Feed Grains Council, Cotton Council International, Great Plains Wheat, and the poultry industry's International Trade Development Board. These groups supply the U.S. personnel who administer the programs, while FAS provides funds for some overseas costs and overall assistance.

To do this job FAS tries to find associations which represent an entire industry, and this generally means organizations which cover many States. Where there are important crops grown almost entirely in one State, FAS works with State organizations. Among the 44 trade associations cooperating with us, several are limited to from one to three States, and some of them are State Governmental organizations. These consist primarily of organizations promoting specialty crops grown in the Western States, particularly California. Products promoted in this way include: dates, prunes, raisins, walnuts, dried fruits, citrus, and deciduous fruit.

Regional commodity groups

Where the product is grown in several States, State commissions or other State organizations can join together to form a regional or national organization which can take on the market development job in cooperation with the USDA. Examples of this are Great Plains Wheat, consisting of

five State wheat commissions; Western Wheat Associates, consisting of three State organizations; and Tobacco Associates, which is financed through State legislation in several tobacco-growing States.

Even if a State Government agency is not a contractual party to these programs, it can still give these groups much needed assistance. The Feed Grains Council is an illustration of this point.

Ten years ago, we started looking for a trade group willing to take on the promotion of our feed grains overseas and found that none was willing. Such a large portion of U.S. feed grains was then consumed on the farm or sold for local consumption, that exporting was not a matter of major concern in the Cornbelt. Finally, in the Southwest, the producers of grain sorghums, a relatively new crop, expressed willingness to start an export promotion program.

FAS wrote a contract with them which was open-ended. It permitted other feed grain groups to come in should any be willing. Later, the producers of hybrid seed corn began to take an interest and, with their stimulus, other corn-oriented groups began to come in, and the present active, growing, and highly representative Feed Grains Council is the result.

Billion-dollar goal

Incidentally, U.S. feed grains exports are approaching $1 billion a year. As a group they now exceed in value every other agricultural export product. USFGC needs local support. Here in Iowa the groups belonging to the Feed Grains Council include the National Corn Growers Association, Des Moines Grain Exchange, Farmers Grain Dealers Association of Iowa and all the major hybrid seed corn producers.

The Feed Grains Council will welcome help from State agencies in carrying on this educational job. Part of the job is letting the farmers and processors know what USFGC is doing and where help is needed. There is a problem, for example, with mechanically dried corn which if not carefully dried becomes so brittle that it breaks up during overseas shipment. This problem has to be solved primarily in the United States.

We could cite comparable examples with other trade associations. The poultry industry's International Trade Development Board through the Institute of American Poultry Industries, which has conducted vigorous promotional campaigns in Europe and has recently started in Japan, is made up of many constituent organizations such as the poultry federations in Arkansas, Georgia, Mississippi, Virginia, and the Delmarva peninsula—as well as national organizations, such as the National Turkey Federation.

State initiative

In some States, also, there may be promotable commodities not yet represented by promotion organizations. In such a case, the State Department of Agriculture might well take the lead in formation of an appropriate organization to participate in our program.

Much of the job to be done is in the broad area of service and education. Acquainting firms within the State of opportunities in trade centers and trade fairs and giving them sufficient confidence to cause them to participate is such a job. Encouraging the organization of trade teams, or trips abroad by private firms, is partly an educational job. Helping industry-wide producer and trade associations which are working abroad under contract with the U.S. Department of Agriculture is service and education.

There is great need for central information points in various States to which the firm inexperienced in exporting can come for information about who can help. For many firms the U.S. Department of Agriculture is far away. Firm officials do not know where to go to get information on export representatives, foreign agents, and international banking. Where there is a need for such a service within a State, FAS encourages State Government agencies to take the initiative in seeing that such an office is established.

Promotion "begins at home"

FAS believes foreign market development is a job that begins at home and is just as important as the work done overseas.

Working together, we have the opportunity to boost agricultural exports from their present record level of a little more than $6 billion to the $7-billion or even $8-billion level that looms not many years in the future. This promises real benefits for the nation in farm income, in farm and nonfarm employment, and in a favorable balance of payments.

EEC Lowers Levies on Broilers from Nonmembers

A recent cut in supplemental levies by the EEC on whole broilers is expected to ease but not significantly reduce the trade barrier which for most of 1965 has virtually closed the principal EEC market, West Germany, for U.S. birds.

Although it was the largest reduction to date and the fourth since the alltime high levy of 7.94 cents per pound in the second quarter of 1965, the new cut was only from 5.45 cents per pound to 4.55. Total West German import charges—variable levy plus supplemental levy—on U.S. broilers have been cut less than a cent to 14.1 cents per pound.

Apparent reason for the reduction is strengthening broiler offer prices on the Continent because of increased demand.

As a result of the lowered levies and a similar reduction in griller levies in September—now also at 4.5 cents per pound—U.S. exporters are again making some sales.

At this time last year EEC supplemental levies on broiler imports from nonmember countries were set at 2.83 cents per pound. Since then, these levies have nearly tripled although the gate price has been stable. When Danish prices dropped to a low of 23 cents per pound in mid-1965, EEC supplemental duties shot up proportionately, and were applicable to all nonmember countries. During this time U.S. offer prices changed little from the 1964 average of 28-29 cents, but the new levies put American broilers at such a price disadvantage at that time that trade with West Germany was curtailed.

Supplemental levies on broilers have always been applied to third-country imports, bringing their prices up to the gate price established quarterly by the EEC. These charges have proved an effective protection for member countries from foreign competition. Added to West Germany's variable levy of about 10 cents, the EEC duty has brought total import charges on U.S. broilers to as much as 18 cents per pound while those on broilers from EEC members Netherlands, France, and Belgium have been closer to 5 cents per pound.

Called the first of its kind in Manila, is the Baker's Fair, left, which combines an airconditioned dining hall with a bakery, above, featuring quality goods.

Baker's Fair & Foodmart Is Something New in Philippines

Quality wheat foods are becoming increasingly popular with, and available to, Juan de la Cruz—the John Doe of the Philippines.

Filipinos were introduced to wheat foods by the Spanish some four centuries ago. Today, one of the most popular foods in the Philippines is the *pan de sal*, a small breakfast roll made from wheat flour.

In recent years, significant strides have been made in upgrading the quality of wheat foods in the Philippines, a goal toward which the joint technical and promotional efforts of Wheat Associates, U.S.A., and FAS have been aimed since 1960.

A tangible example of the new concept in wheat food production and distribution appeared on the Manila scene just recently. It is the new Baker's Fair & Foodmart, a modern bakery and retail outlet believed to be first of its kind in the country.

The Foodmart boasts the "fulltime services of a team of master bakers, not just one or two only."

Each baker is a specialist in a particular field of baking. In its opening ceremonies, the bakery pledged to strive toward quality control and taste perfection in its products.

Wheat Associates is engaged in a number of activities intended to further improve and popularize wheat foods in the Philippines. Sponsorship of a 6 months' training course for six Filipino flour mill technicians at the American Institute of Baking has been particularly productive of long-range benefits. So also has been work with flour millers in helping develop and carry out their own brand promotion programs, an area which is coming in for more emphasis in the Philippines.

During the last crop year, the Philippines—with imports of 6 million bushels of U.S. wheat—was the fourth largest cash customer for U.S. wheat. With current U.S. cash sales making up close to 75 percent of the total Philippine market, it appears that the Philippines will be an even bigger customer for U.S. wheat in the total world market this year.

With continuing advancements in the baking trade, it is safe to predict that quality will further improve and consumption will increase.

Wheat Associates expects that more modern bakeries and retail outlets will open in Manila in the near future. The city's third specialty sandwich shop has just opened. —FRED SCHNEITER

Wheat Associates, Manila

"Fruit in Plenty" Is Theme of U.S. Float in London Pageant

About 140,000 Londoners saw this attractive U.S. float "Fruit in Plenty," which was a feature of the annual Lord Mayor's Pageant last month. Last year, the United Kingdom imported $25 million worth of U.S. fresh and processed fruits and nuts.

Crop Output in Yugoslavia Declines in 1965 But Livestock Production Gains Over Last Year

In a year marred by unfavorable weather from planting to harvest, Yugoslavia's output of farm and fruit crops during 1965 fell sharply from that of 1964. Only livestock output is expected to end the year favorably.

Production of wheat, corn, and rye fell in 1965, while rice, barley, and oats registered increases. Wheat output—at 3.44 million metric tons—declined 7 percent from 1964. The lower corn crop—5.9 million metric tons or 15 percent below 1964—is expected to have adverse effects on livestock production in the coming year. However, under average conditions, corn output should improve in 1966, with the crop forecast at 6.5 million metric tons. Rye production was down 10 percent in 1965 as a result of reduced acreage. Since farmers are realizing higher yields with wheat, some reduction in the rye area is expected in 1966.

A 3-percent increase in rice production in 1965 did not reduce import requirements, which rose to an estimated 40,000 tons—11 percent over 1964. At 682,000 metric tons, barley output was up 28 percent from 1964, with further gains anticipated in 1966. Oat production is estimated up 6 percent to 310,000 metric tons, mainly because of increased acreage.

Beet prices discourage output

Preliminary estimates place 1965 production of sugarbeets at 2.5 million metric tons, a drop of 12 percent from last year. Further declines are anticipated if minimum purchasing prices are not increased. Also down was tobacco output, which declined 16 percent—from 65,800 tons in 1964 to 55,000 tons a year later. However, exports of fermented tobacco in 1964-65 were up an estimated 14 percent, with a similar increase expected in 1965-66 because of carryover stocks.

Cotton production in 1965—at about 10,000 metric tons of seed cotton—increased 34 percent over that of 1964. To encourage greater production, the government has raised purchasing prices, but because of soil and climatic conditions, as well as more profitable alternative crops, no further increase is expected. Cotton imports for the 1965 crop year are estimated at 83,515 tons, 2 percent above 1964.

Because of rain and cold weather during the bloom stage, output of apples and pears declined 31 and 48 percent to an estimated 110,000 and 50,000 metric tons. However, fruit tree numbers are increasing, and with average weather conditions, crop output in 1966 should recover.

Weather also affected plum production, which in 1965 fell 40 percent below the level of 1964 and caused a 45-percent drop in production of dried prunes. In the 1964-65 marketing year, exports of dried prunes are estimated at 20,000 metric tons, compared with 22,000 a year earlier. Because of reduced 1965 production, exports in 1965-66 may decline further.

Government backs cattle rise

According to the 1965 livestock census, cattle numbers increased 4 percent over 1964, and a further rise of 3 percent is expected in 1966. The government prohibits slaughter of calves of a certain age and weight as part of its effort to increase cattle numbers and expand beef exports. In line with a government program to earn foreign exchange, 1966 beef and veal exports may rise slightly.

At the beginning of 1965, hog numbers were an estimated 11 percent above a year earlier, with slaughter for the entire year estimated at a record 10.7 million head—a 33-percent increase over 1964. However, large stocks of lard and rising feed prices are causing farmers to switch to cattle production—a more profitable venture. This change, combined with the large 1965 slaughter, is expected to cause a 10-percent reduction in hog numbers by early 1966.

Pork exports in 1965 are estimated 15 to 20 percent above the 42,414 metric tons shipped in 1964.

A 10-percent increase in poultry numbers is estimated for 1965, with a further 4-percent gain forecast for 1966. Government efforts aim at creating a thriving poultry industry able to provide sufficient poultry meat to make up for short beef supplies.

Low purchasing prices for wool and mutton are causing declines in sheep numbers, estimated down 3 percent from 1964. A further drop of 10 percent is expected in 1966. With fewer sheep, 1965 wool production is estimated at 11,000 metric tons, an 11-percent decrease from 1964. Consumption of wool rose an estimated 11 percent, requiring imports of about 23,000 metric tons or 25 percent more than in 1964.

—Dispatch from CLYDE R. KEATON
U.S. Agricultural Attaché, Belgrade

Peru's Farm Output Showed Some Gains in 1965

Peru's agricultural sector for the past year presents a mixed picture. On the one hand, the 1965 output of most foodstuffs and industrial crops will increase over the previous year's level. Also, there is greater awareness on the part of the Peruvian Government of the important role agricultural development plays in overall economic development, and to this end, a number of both short- and long-range development plans have been drawn up, which are now being carried out.

On the other hand, these favorable features are being counteracted somewhat. Production of cotton and rice, two of Peru's major crops, will decline during 1965. Also, although the output of many foodstuffs will increase in 1965, the rise will not keep pace with the growth in population. Many of the government's development plans for agriculture will not provide greater production for a number of years.

Peru's tariff structure remains basically unchanged from the higher rate system implemented in August 1964. No quantitative controls or exchange restrictions have been implemented, nor have there been significant developments in Peru's LAFTA or bilateral arrangements within the past year.

Internal marketing and prices remain largely free of support or formal regulation, although semi-official industry-government price agreements continue in effect for several basic foodstuffs. Export taxes on sugar and cotton may soon be lowered.

While agricultural exports have been about double the agricultural import requirements, agricultural imports have increased more rapidly than other imports. Those coming from the United States have also increased. Peru's economy has performed viably through mid-1965 and, although there are inflation and certain other economic clouds on the horizon, the demand for imports, especially grains, meat, dairy products, and fats and oils, will remain strong well into 1966.

Argentine Grain Crops Improve With Rains

Widespread rains in Argentina during October have saved most of the 1965-66 wheat crop from serious damage by the prolonged dry weather in August and September, which had sharply retarded development of the crop. However, this year's wheat acreage is 11 percent below that of last season; the current crop is, therefore, expected to be approximately 40 percent lower than the record 38.6-million-bushel production of a year ago.

The outlook for production of oats, barley, and rye is distinctly unpromising because of drought damage and heavy pasturing. Production of each of these grains is expected to be well below the level of a year ago and will probably not permit exports to reach even the low levels of the past year.

Prospects are relatively better for the late-sown crops—corn and grain sorghums—with the outlook for corn quite promising. The recent rains came soon enough to permit planting operations to be carried out under favorable conditions. Also, corn prices have been firm, especially in recent weeks, and producers are expected to expand planted area this season, possibly by as much as 10 percent.

Although yields of grain sorghums have been disappointing in recent years, good prices should encourage producers to at least maintain last year's area.

Rhodesian Tobacco Production Forecast

Rhodesia's Minister of Agriculture has advised flue-cured tobacco growers to use restraint in planting for the 1965-66 season. He urged particularly that late plantings, which usually result in low-quality tobacco, be eliminated.

If growers follow the Minister's advice, it is likely, in the opinion of the Chairman of the Rhodesian Tobacco Export Promotion Council, that the harvest will be in the range of 220-250 million pounds. (The goal for the 1965-66 harvest, prior to the unilateral declaration of independence by Rhodesia, had been 280 million pounds from 226,000 acres. But early indications, based on growers' intentions to plant, were that the harvest might reach the range of 283-318 million pounds.)

For purposes of comparison, the 1964-65 crop of Rhodesian flue-cured was about 232 million pounds from 209,500 acres. Early-season forecasts had placed 1964-65 acreage at about 234,000. In 1963-64, a harvest of about 300 million pounds was produced from 256,000 acres.

U.S. Tobacco Exports Down in October

U.S. exports of unmanufactured tobacco in October 1965, at 44.1 million pounds, were 12 million below those of October 1964. The export value was $33.9 million, compared with $48.9 million. With the exception of flue-cured, exports of which were only 28.2 million pounds compared with 47.2 million, exports of all kinds were larger than in October 1964.

For January-October 1965, exports totaled 334.5 million pounds—down 13.9 percent from the 388.5 million shipped in January-October 1964.

Exports of tobacco products in October 1965 were valued at $9.8 million, compared with $9.2 million in October last year. For the 10-month period, these exports were valued at $99.2 million, compared with $104.5 million for the same period of 1964.

U.S. EXPORTS OF UNMANUFACTURED TOBACCO
[Export weight]

Kind	October		January-October		Change from 1964
	1964	1965	1964	1965	
	1,000 pounds	*1,000 pounds*	*1,000 pounds*	*1,000 pounds*	*Percent*
Flue-cured	47,243	28,223	296,927	244,803	−17.6
Burley	4,349	4,410	42,563	36,682	−13.8
Dark-fired Ky.-Tenn.	1,408	4,770	15,542	15,448	−0.6
Va. fire-cured[1]	248	633	4,023	5,360	+33.2
Maryland	785	2,832	9,519	8,437	−11.4
Green River	1	45	668	514	−23.1
One Sucker	29	348	148	612	+313.5
Black Fat	310	538	2,727	3,131	+14.8
Cigar wrapper	239	279	4,840	3,384	−30.1
Cigar binder	67	190	1,363	2,255	+65.4
Cigar filler	16	355	426	647	+51.9
Other	1,342	1,428	9,721	13,241	+36.2
Total	56,037	44,051	388,467	334,514	−13.9
	Mil. dol.	*Mil. dol.*	*Mil. dol.*	*Mil. dol.*	*Percent*
Declared value	48.9	33.9	308.6	266.9	−13.5

[1] Includes sun-cured.
Bureau of the Census.

U.S. EXPORTS OF TOBACCO PRODUCTS

Kind	October		January-Oct.		Change from 1964
	1964	1965	1964	1965	
					Percent
Cigars and cheroots *1,000 pieces*	3,743	8,625	36,899	46,903	+27.1
Cigarettes *Million pieces*	1,844	1,920	20,259	19,061	−5.9
Chewing and snuff *1,000 pounds*	42	84	345	282	−18.3
Smoking tobacco in pkgs. *1,000 pounds*	90	135	1,146	831	−27.5
Smoking tobacco in bulk *1,000 pounds*	636	570	8,376	9,005	+7.5
Total declared value *Million dollars*	9.2	9.8	104.5	99.2	−5.1

Bureau of the Census.

Argentine Exports of Vegetable Oils Up Sharply

Argentine exports of vegetable oils during January-October 1965 rose sharply from those of both the comparable period last year and all of calendar 1964. The increase reflects the generally larger crops of 1964-65.

ARGENTINA'S EXPORTS OF VEGETABLE OIL

Vegetable oil	1964	January-October	
		1964	1965
	Metric tons	*Metric tons*	*Metric tons*
Cottonseed	---	---	398
Peanut	120	120	31,593
Sunflowerseed	---	---	18,920
Olive	8,046	6,296	4,043
Linseed	192,123	174,611	213,752
Tung	18,408	14,058	10,501

For 1964 and January-October 1964, *Estadística Mensual de Exportación de Frutos del País;* for January-October 1965, trade source.

Exports of edible oils—cottonseed, peanut, sunflower and olive—totaled 54,954 metric tons compared with only

6,416 tons in the first 10 months of 1964 and only 8,166 tons in calendar 1964.

Linseed oil exports, at 213,752 tons, were up 22 percent from the comparable period last year and 11 percent from the total tonnage of 1964.

Tung oil shipments declined to 10,501 tons from 14,058 in the first 10 months last year and 18,408 in the entire year, reflecting freeze damage to the 1964-65 nut crop.

India's Peanut Acreage Declines

The first official estimate places India's 1965-66 peanut acreage at 13,048,600 acres, 2.6 percent below the first adjusted estimate of 13,393,600 acres for the 1964-65 crop.

This estimate represents roughly only 75 percent of the total acreage finally reported. The drop occurred mainly in Gujarat and is attributed to inadequate rain at planting time.

As of mid-November about two-thirds of the peanut crop had reached the harvest stage. Current trade estimates are for an outturn of 4.4-5.0 million short tons of unshelled peanuts, compared with 6.8 million last year.

Canned Fruit and Juice Prices in the Netherlands

Selling prices in the Netherlands (landed, duty paid) of selected canned fruits and juices follow:

Type and quality	Size of can	Price per dozen units: Oct. 1964	July 1965	Oct. 1965	Origin
		U.S. dol.	*U.S. dol.*	*U.S. dol.*	
CANNED FRUIT					
Apricots, halves	15 oz.	2.15	1.96	1.96	Spain
Do	2½	3.55	3.71	3.71	Greece
Peaches, halves	2½	(1)	3.58	3.78	Greece
Choice, light syrup	2½	3.91	3.94	4.38	U.S.
Heavy syrup	16 oz.	(1)	(1)	2.52	Italy
Fruit cocktail:					
Choice, light syrup	8 oz.	1.96	1.92	2.19	U.S.
Do	2½	5.04	5.04	(1)	U.S.
Fruit salad	15 oz.	(1)	2.42	2.95	Spain
Do	2½	(1)	(1)	5.60	Spain
Pineapple:					
Fancy (8 slices)	2½	4.74	4.94	(1)	U.S.
Fancy (10 slices)	2	3.41	3.68	3.68	U.S.
Choice (8 slices)	2½	4.54	4.57	(1)	U.S.
Choice (10 slices)	2	3.38	3.26	3.28	U.S.
CANNED JUICE					
Pineapple:					
Fancy, unsweetened	2	2.15	2.15	2.15	U.S.
Orange, unsweetened	2	2.65	2.65	2.65	U.S.
Do	2	2.22	1.92	1.92	Israel
Do	2	2.12	(1)	1.72	Greece

[1] Not quoted.

Opening Prices for South African Canned Fruit

According to a London source, South Africa's 1966 opening minimum prices for exports of No. 10 canned deciduous fruits are higher than those of the previous year. Bartlett pears were reported up 70 cents per dozen c.i.f. (U.K. ports), cling peaches $1.05, fancy apricots 49 cents, choice apricots 42 cents, standard apricots 28 cents, fruit cocktail $1.40, and fruit salad $1.75. The minimum bill of lading quantity was given as 200 cases.

Minimum export prices per dozen 60-ounce cans, drained weight, c.i.f. (U.K. ports), were quoted as follows: Apricots—fancy $10.85, choice $10.50, standard $9.80, manufacturing $9.10; yellow cling peaches—fancy $11.20, choice $10.85, standard $10.15, manufacturing $9.45; pear halves—fancy $11.90, choice $11.55; fruit cocktail—choice $15.05, standard $14.49; fruit salad—fancy $16.80, choice $16.10, standard $15.40.

Reportedly, late shipments in the past—due to priorities given by shipping companies to more profitable cargoes—may lead to an increase in freight rates from South Africa during the coming season.

U.S. Cotton Exports Rise in October

Exports of U.S. cotton amounted to 648,000 running bales in the first 3 months (August-October) of the 1965-66 season. This was 9 percent above the 594,000 bales exported in the same period of 1964-65, but 21 percent below average exports of 817,000 bales during this period of the past 5 seasons.

Exports this October were 304,000 bales, compared with 226,000 this September and 290,000 in October 1964.

U.S. COTTON EXPORTS BY DESTINATION
[Running bales]

Destination	Year beginning August 1: Average 1955-59	1963	1964	Aug.-Oct. 1964	Aug.-Oct. 1965
	1,000 bales	*1,000 bales*	*1,000 bales*	*1,000 bales*	*1,000 bales*
Austria	33	23	11	2	1
Belgium-Luxembourg	160	176	80	18	19
Bulgaria	0	19	0	0	0
Denmark	17	16	6	1	1
Finland	22	10	11	2	1
France	360	380	184	53	29
Germany, West	475	401	217	64	31
Hungary	0	18	0	0	0
Italy	416	442	260	78	25
Netherlands	124	127	65	5	4
Norway	10	14	13	2	3
Poland & Danzig	85	132	67	21	12
Portugal	28	35	22	1	(1)
Spain	171	14	28	(1)	2
Sweden	75	88	58	12	16
Switzerland	64	95	66	21	11
United Kingdom	525	286	153	24	28
Yugoslavia	108	78	109	11	14
Other Europe	17	20	10	6	3
Total Europe	2,690	2,374	1,360	321	200
Australia	54	91	60	15	8
Canada	217	448	390	39	56
Chile	35	2	1	(1)	0
Colombia	33	14	1	0	12
Cuba	27	0	0	0	0
Ethiopia	4	9	4	0	4
Hong Kong	134	187	150	7	26
India	184	314	243	18	13
Indonesia	30	21	47	0	0
Iraq	0	20	0	0	0
Israel	16	26	23	3	3
Japan	1,154	1,301	990	82	128
Korea, Rep. of	205	313	261	49	85
Morocco	10	15	12	3	3
Pakistan	14	8	9	0	1
Philippines	64	140	75	15	13
South Africa	26	37	43	9	8
Taiwan (Formosa)	153	189	203	22	35
Thailand	4	39	55	3	15
Uruguay	15	(1)	0	0	0
Venezuela	2	12	6	1	2
Vietnam[2]	2	75	63	4	19
Other countries	27	27	64	3	17
Total	5,100	5,662	4,060	594	648

[1] Less than 500 bales. [2] Indochina prior to 1958. Includes Laos and Cambodia.

Canada's Use of Cotton Continues Strong

According to the Canadian Textile Institute, textile mills in Canada opened 126,920 bales (480 lb. net) of

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cotton in the August-October period of the current season, 8 percent above openings of 117,679 bales in the same period of 1964-65. In October, 40,567 bales were opened, compared with 46,594 bales in September and 40,631 bales in October of 1964.

Australia Consumes More Cotton in 1964-65

Cotton consumption in Australia in the 1964-65 season is placed at about 130,000 bales (480 lb. net), 7 percent above the 115,000 bales used in 1963-64. All mills are reportedly working three shifts per day, and no decline in activity is in prospect for the month immediately ahead.

Cotton yarn production in 1964-65, at 59 million pounds, was 7 per cent above that of a year earlier. Further expansion in the spinning sector will hinge upon what action the Tariff Board takes with respect to protection of the domestic industry. Sizable quantities of cotton piece goods are at present being imported from the United Kingdom and Japan. In the weaving sector, production of cotton fabrics in 1964-65 amounted to 56 million square yards, 6 percent above the 1963-64 level.

Imports of raw cotton in 1964-65 are estimated at about 110,000 bales, slightly below 1963-64 imports of 116,000. In the August-June period of 1964-65, the U.S. share of the Australian import market declined to 70,000 bales, or two-thirds of the total. In the same period of 1963-64, the U.S. share was 77,000 bales, or nearly 72 percent. Other principal suppliers in 1964-65 were Mexico, Brazil, and Uganda.

Imports in 1965-66 may decline from the 1964-65 level, largely because of a buildup in stocks in the past 2 years—a result of rapidly expanding production. Stocks on hand on August 1 of the current season were estimated at about 70,000 bales, or 6 months' consumption requirement at the current rate of use.

The 1964-65 cotton crop (harvested in March-July 1965) is estimated at 45,000 bales, three times larger than the 1963-64 crop. Harvested area in 1964-65 is estimated at 40,000 acres, nearly twice as large as 1963-64 acreage. The sharp increase in production is attributed to higher yields from a larger area. Extensive flooding had reduced the 1962-63 and 1963-64 crops substantially.

To encourage the production of cotton in Australia, the Federal Government has for many years paid a bounty to guarantee a minimum average price to growers. The present bounty law became effective in January 1964 and extends for 5 years. Under the law, the maximum bounty payable in a given year is about $4.5 million. Bounty payments on the 1964-65 crop amounted to $2.1 million.

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